DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 03-07

2. STATE: Nevada

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2003

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR Part 416

7. FEDERAL BUDGET IMPACT:
a. FFY 2003 $ None
b. FFY 2004 $ None

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B, page 4a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

Attachment 4.19B, page 4a

10. SUBJECT OF AMENDMENT: Ambulatory surgical center payments

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Michael J. Willden

14. TITLE:
Director, Department of Human Resources

15. DATE SUBMITTED:

16. RETURN TO:
John A. Liveratti, Chief
DHCFP Nevada Medicaid
1100 East William Street, Suite 102
Carson City, Nevada 89701

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
October 15, 2003

18. DATE APPROVED:
July 1, 2004

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1, 2003

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Linda Minamoto

22. TITLE: Associate Regional Administrator
Division Of Medicaid & Children's Health

23. REMARKS:

FORM HCFA-179 (07-92)

Assurances

The reimbursement methodology described in Attachment 4.19B, Page 4a will not exceed the federal upper payment limit for such services as described in 42 CFR 442.321. To the extent reimbursements exceed upper payment limits, the State will return to CMS any federal funds used to reimburse these providers in excess of this limit. To establish the federal upper payment limit for these services the following methodology is used:

1. Segregation: Providers are divided into two primary categories – hospital based providers and free-standing clinics. These two categories are further segregated into three additional categories:
    a. Privately-owned or operated facilities.
    b. State government-owned or operated facilities
    c. Non-state government-owned or operated facilities

2. Free-Standing Privately-owned or operated facility UPL estimation
    a. A sample of at least one calendar quarter of Medicaid claims for these providers will be used as base data.
    b. Medicaid reimbursement is estimated for these claims using the methodology described in 4.19B, Page 4a.
    c. Medicare reimbursement is estimated using the guidelines established in the Medicare Claims Processing Manual and Transmittal AB-03-116.
    d. The amounts calculated in b. and c. are compared. If b. is less than c. Medicaid reimbursement is in conformance with the provisions of 42 CFR 422.321.

3. Free-Standing state and non-state government-owned or operated facilities – there are no facilities providing services under attachment 4.19B, Page 4a in Nevada.

4. Hospital-based privately-owned or operated facilities.
    a. The methodology utilizes Medicare cost principles to estimate UPL
    b. The methodology includes all hospital outpatient services, including those provided under 4.19B, Page 1 and Page 4a.
    c. The most recently filed Medicare cost report outpatient cost to charge ratio is used for each facility.
    d. A sample of at least one calendar quarter of Medicaid claims for the services described in 4.b. above will be used as base data.
    e. Medicaid reimbursement is estimated for these claims using the methodology described in Attachment 4.19B.
    f. Medicare reimbursement is estimated by multiplying the total billed charges for each facility from d. above by the cost to charge ratio from b. above. The result is the Medicare UPL for these services.
    g. The amounts calculated in e. and f. are compared. If e. is less than f. Medicaid reimbursement is in conformance with the provisions of 42 CFR 422.321

5. Hospital-based state government-owned or operated facilities – there are no facilities providing services under attachment 4.19B, Page 4a in Nevada.

6. Hospital-based non-state government owned or operated facilities estimations are based on the same methodology described in 4. above.

24. Surgical services provided in both hospital-based and freestanding Ambulatory Surgical Centers (ASC)

a. The Division adopts for reference the list of eligible codes for surgical centers for ambulatory patients and the payment groups to which those codes are assigned for services paid on or after September 1, 2003. This listing was established by Centers for Medicare and Medicaid Services (CMS) in 1997 and modified in 2000 and 2003.
b. The Division also adopts as a base, the payment amounts for groupings 1-9 as published in 42 CFR Part 416 dated March 28, 2003. To ensure access of services, these payment amounts will be increased by 50% for hospital-based ambulatory surgical center services and 20% for freestanding ambulatory surgical center services. Services covered by Nevada Medicaid will be processed at these payment amounts.
c. Codes not on the Medicare list that are deemed appropriate to be performed in an ASC setting will be paid at the appropriate grouping level based on the services performed.
d. In the case of multiple procedures the following adjustments to the fee schedule are made:
    1) First procedure 100% of fee schedule
    2) Second procedure 50% of fee schedule
    3) Third procedure 25% of fee schedule
    4) Fourth procedure 10% of fee schedule
    5) Fifth and thereafter procedures 5% of fee schedule
e. Professional services are reimbursed as indicated in Page 1b of Section 4-19B.